

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce - M/s White Field Paper Mills Limited, - Delay in implementing the Project-Affirming to the termination of Memorandum of Understanding, Incentives and Land allotment cancellation orders – Orders - Issued.

INDUSTRIES & COMMERCE (POLICY& INVESTMENT) DEPARTMENT

G.O.MS.No. 129

Dated: 14-09-2017
Read the following:-

Ref:

1. G.O.Ms.No.17, Ind. & Com. (P&I) Dept., Dt.13-1-2016.
2. Orders in W.P. No.2170 of 2016, Dt.27-1-2016 of High Court of Judicature at Hyderabad for the State of Telangana & The State of Andhra Pradesh.
3. Govt. Memo Dated 2198/P&I/A1/2016, Dt.26-3-2016.
4. Govt. Memo No.2198/P&I/A1/2017, Dt.26-5-2017.
5. Letters of M/s White Field Paper Mills Ltd., Dt.6-4-2016, 5-5-2016 & 5-6-2017.

ORDER:

In the reference 1st read above, Government have issue orders duly cancelling the MOU entered between Government of Andhra Pradesh and M/s. White Field Paper Mills Ltd., dt: 27/03/2006 and the Government orders issued vide G.O.Rt.No.323, Industries & Commerce (IP) Dept., dated 30.5.2006 and G.O.Rt.No.1227, Revenue (Assn.VII) Department, dated 30.5.2006, for sanctioning incentives and allotting land respectively in public interest.

2. Aggrieved by the above orders of the Government, M/s White Field Paper Mills Ltd. have approached Hon'ble of High Court of Judicature at Hyderabad for the State of Telangana & The State of Andhra Pradesh and the Hon'ble High Court in its order dated 27-1-2016 has kept the G.O.Ms.No.17, Ind & Com (P&I) Dept., Dt.13-1-2016 in abeyance and passed orders that after considering the petitioners explanation and giving them due opportunity of hearing to explain their stand, it shall be open to the State Authorities either to cancel, modify or affirm the GO by way of separate proceedings which shall be duly communicated to the petitioner.

3. In the reference 3rd read above, Government have issued Show Cause Notice to M/s. White Field Paper Mills Ltd., to appear in person to explain their stand for not achieving the financial closure by 31-3-2015, as envisaged in G.O.Ms.No.201 Ind. & Com (IP & INF) Dept., Dt.4-12-2014.

4. As per the directions of the Hon'ble High Court, a personal hearing has been given to Mr. Srinivasa Rao, Managing Director, M/s. White Field Paper Mills Ltd on 05.06.2017 vide reference 4th read above. During the hearing, the MD of M/s. White Field Paper Mills Ltd has informed that Government of India notified their SEZ on 22.12.2006 and post which they carried out site levelling including technical studies by spending an amount of Rs 50 Crores.

5. After explaining about their project, the MD of the company has informed that they are confident to be able to complete the financial closure shortly either through PAPCEL with 85% funding, a leading global

(P.T.O)

manufacturers and suppliers of process equipment and systems in the field of pulp and paper or 100% overseas funding. Finally, requested for extension of time upto 3 months for financial closure and 21 months for project implementation subject to resolving the following issues:

- (i) Conversion of Land, as it will be a pre-disbursement condition of the funders.
- (ii) Request to withdraw the demand notice dated 17.01.2014 issued by Assistant Director of Mines and Geology, Eluru to pay seignior age fees with penalty as it is not applicable in our case vide GO No. MS 152 dated 20.06.2008 and GO MS 139 dated 12.11.2013.
- (iii) Recommendation to fuel linkage coal/gas as our application is yet to find favour of consideration.
- (iv) Exemption from payment of land conversion fee from the Government of AP for the land allotted to us (271.35 acres) as recommended by the Development Commissioner VSEZ, Ministry of Commerce, Government of India.

6. On examination of the request of M/s. White Field Paper Mills Ltd., it is noticed that the Company seeking extension of time subject to resolving certain issues. Most of the issues sought resolutions are not under the purview of State Government, for which State Government cannot give guarantee. Thus it is evident that the Company seeks to buy time on the pretext of one or the other issue to delay the Project. Hence, Government have decided not to extend time for this kind of non-started Project.

7. Government after careful examination of the matter, hereby affirm to the orders issued in the G.O. 1s t read above.

8. The Commissioner of Industries, A.P., MD, APIIC & District Collector & District Magistrate, West Godavari District shall take necessary action.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To

The Commissioner of Industries, Government of A.P., Vijayawada.

The Vice Chairman & Managing Director, APIIC Ltd., Vijayawada.

The District Collector & District Magistrate, West Godavari District, Eluru.

Copy to:

The Managing Director, M/s. White Field Paper Mills Ltd., Regd. & SEZ Office: #12-1-61, Hanuman Nilayam, Main Road, Kovvur – 534350, WG Dist., Andhra Pradesh.

The Revenue (Assn. II) Department,

The Chief Commissioner of Land Administration, A.P., Vijayawada.

The General Manager, District Industries Centre, West Godavari District.

The Advocate General, Government of A.P., Hyderabad.

The G.P. for Industries, High Court of A.P.

The Development Commissioner, VSEZ, Vizag.

The P.S. to Principal Secretary to Chief Minister

The P.S. to C.S. to Government

Ind. & Com. (Infra) Department

The P.S. to Secretary & CIP.

SF/SC.

// FORWARDED :: BY ORDER //

SECTION OFFICER